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EARNINGS RELEASE

FOURTH QUARTER 2008 RESULTS

- Net sales rose 13.9% while volume increased 7.5% in 4Q08.
- In 4Q08, operating income increased 5.7%.
- Net income grew 45.8% in 4Q08.

Fourth Quarter 2008 (4Q08) Highlights:

- Total sales volume* increased 7.5% to 126.7 MUC.
- Net sales reached Ps. 5,140.4 million, an increase of 13.9% when compared to 4Q07.
- Operating income rose 5.7% to Ps. 786.6 million, representing a margin of 15.3%.
- EBITDA** reached Ps. 1,015.2 million, 5.8% greater than in 4Q07.
- Net income increased 45.8% to Ps. 720.6 million, or Ps. 0.89 per share in 4Q08.

Full Year 2008 (FY08) Highlights:

- Total sales volume* grew 6.2% in 2008, reaching 509.9 MUC.
- Net sales were up 8.9% to Ps. 20,247.8 million in 2008 vs 2007.
- Operating income increased 5.2% to Ps. 3,841.6 million.
- EBITDA** rose 5.3%, to Ps. 4,710.4 million in 2008, representing a margin of 23.3%.
- Net income increased 18.5% to Ps. 2,945.3 million or Ps. 3.65 per share in 2008.

* Total sales volume includes soft drinks and single serve water. It does not include jug water.

**Operating Profit + Depreciation + Amortization

Monterrey, Mexico, February 25, 2009 – Embotelladoras Arca, S.A.B. de C.V. (“Arca” or “the Company”) (BMV: ARCA), the second-largest Coca-Cola bottler in Mexico and Latin America, announced today its unaudited results for the fourth quarter and twelve month periods ended December 31, 2008. The figures corresponding to 2007 are expressed in thousands of constant pesos as of December 31, 2007, while those from 2008 are presented in thousand of nominal pesos. In addition, the following figures include the results for the Coca-Cola franchise in Northeastern Argentina (NEA) since May 2008; however, with regard to the franchise in Northwestern Argentina (NOA), only the Balance Sheet is being consolidated, given that its acquisition was completed on December 29, 2008.

Comments from the Chief Executive Officer:

Mr. Francisco Garza Egloff, Arca’s Chief Executive Officer, stated, “We achieved another year of growth, not only in our financials indicators, but also in our execution, productivity and market service statistics. We reported a 19% increase in our net income, as a result of our commercial initiatives and the efficient use of resources as well as our operation. Furthermore, 2008 marked a major milestone in the Company’s history, when we initiated operations in Northeastern Argentina and successfully completed, in the final days of the year, our second acquisition in that country, this time in the Northwestern part.

He added, “Our enduring dedication to offering our clients and consumers an adequate product portfolio has allowed us to overcome such a difficult economic climate at the global level. We possess the necessary tools, the right technology and, more importantly, the experienced personnel driven to meet our objectives, invaluable pillars for a world class company such as ours.”

ACQUISITION OF ARGENTINE BOTTLERS

At the end of 2008, Arca successfully completed the acquisition of the Coca-Cola bottler in Northwestern Argentina, which was announced last March. These operations, combined with the bottler in the Northeast which was acquired in May 2008, totaled 119 MUC, representing 23% of Arca’s Mexican Division volume, and 24% of the sales volume of Coca-Cola in Argentina.

In only 7 months of having initiated operations in the Northeast, Arca achieved 3 percentage point increase in market share, which demonstrates its ability to improve operations within this country. The potential within both territories is highly significant for Arca in terms of product mix, prices, formats, packaging, market share, the introduction of new flavors, etc. Investments are being planned in refrigeration equipment, new single serve and returnable presentations, advertising, production capacity and information technology, among others, with the goal of expanding and making more efficient our operations, as well as to have a better understanding of the market and the points of sale in order to serve our clients and consumers with high quality products and services in a quicker and more efficient manner.

OPERATING RESULTS

Table 1. SALES SUMMARY (in '000 of UC)

	Quarter			12 Months		
	4Q08	4Q07	Var. %	2008	2007	Var. %
Total Volume*	126,659	117,817	7.5%	509,926	480,189	6.2%

* Includes single serve water, exports and sales to third parties.

Sales volume of soft drinks and single serve water increased by 7.5% in 4Q08 when compared to 4Q07, reaching a total of 126.7 MUC. This increase was derived from the incorporation of volumes of Northeastern Argentina (“NEA”), which, during 4Q08 reached 10.2 MUC, while Mexico experienced a slight decline of around 1%.

	Quarter			12 Months		
	4Q08	4Q07	Var. %	2008	2007	Var. %
Colas	82,408	76,249	8.1%	327,167	306,585	6.7%
Diet Soft Drinks	8,639	8,653	-0.2%	34,872	37,946	-8.1%
Flavors*	28,335	27,486	3.1%	114,586	111,320	2.9%
Purified Water**	3,988	3,856	3.4%	21,046	17,850	17.9%
Other***	3,289	1,572	109.2%	12,254	6,489	88.9%
TOTAL	126,659	117,817	7.5%	509,926	480,189	6.2%

* Includes mineral water, third party sales and exports of Topo Chico products.

** Does not include 20-liter jug water presentations.

*** Includes sports drinks, juices, milks and teas.

During 4Q08, the **colas** segment grew 8.1% (Mexico 0.7%), to 82.4 MUC, while **diet soft drinks** decreased by 0.2% (Mexico -3.5%). As explained in previous reports, this decrease is due to tough comps given the launching of Coca-Cola Zero in 2007. The **flavors** segment grew 3.1% (Mexico -11.9%) when compared to the same period in 2007.

Topo Chico mineral water sales volume registered an 8% decrease during 4Q08, while exports of this product to the U.S. rose 2%. However, Topo Chico’s strong acceptance resulted in a 28% increase in sales volume during 4Q08. Most notably, “Project Nostalgia” (exporting of Mexican soft drinks to the U.S. sweetened with cane sugar) grew nearly 50% during 2008.

Purified water in single serve formats increased 3.4% during 4Q08 (Mexico 1.0%), as a result of the successful strategies at the point of sale aimed at achieving greater coverage, as well as the installation of displays (outside of coolers) at various points of sale, and the new image of the Ciel brand.

During 4Q08, volume of **new categories** posted a growth of 109.2% versus 4Q07. This significant increase resulted from the launching of distribution of Jugos del Valle products to the traditional channel; these products have been highly accepted by our clients.

During 4Q08, we continued with the roll-out of returnable presentations: 1.5 lt. REF PET in colas and flavors and we extended to flavors the 1 lt. glass bottle. Additionally, several new launchings were made in several territories to complement our product offering including:

- Fanta Lemonade in 600 ml. NR.
- Zero versions of Fresca, Fanta and Manzana Lift in 600 ml. NR.
- Fanta, Joya Ponche, and Sprite, all in 400 ml NR.
- Flavors in 400 ml. NR at a very attractive price.

During 4Q08 Arca initiated several **promotions** related to the Christmas season: Coca-Cola Christmas trees and mini Coca-Cola projectors. In addition, through the purchase of certain Coca-Cola products, consumers were given the opportunity to purchase various Christmas ornaments.

Table 3. SALES BY FORMAT AND SIZE (in '000 of UC)								
	Quarter				12 Months			
	4Q08	% of total	4Q07	% of total	2008	% of total	2007	% of total
Returnable	37,787	30%	36,084	31%	152,509	30%	152,025	32%
Non-Returnable	88,872	70%	81,733	69%	357,416	70%	328,165	68%
Single-serve	57,094	45%*	58,584	50%	241,599	47%	240,267	50%
Multiple-serve	69,565	55%	59,233	50%	268,326	53%	239,922	50%

(*) 48% in Mexico in 4Q08 and 49% in the full year of 2008.

In terms of its product mix, Arca has been able to maintain the share of returnable products at 30%. It is worth noting that the share of multi-serve formats normally increases during the fourth quarter due to the Christmas season during which consumers opt for higher volume products. However, Arca has been able to maintain for the last couple of years, a mix of single-serve presentations of approximately 50%, which is very favorable.

At the close of 2008, the vending machine business had more than 24,000 vending machines in operation, which includes beverage and snack machines, an increase of 26% with respect to 2007. Arca continues to apply and seek technologies that allow us to optimize routes, thus improving productivity on routes and sales.

In the snack business, the Bokados brand continues to reinforce its market position, as a result of initiatives carried out during the year to increase its coverage throughout the country. On one hand, Arca continued with the aggressive plan of extending the brand's reach not only in the Northern Zone, but also within Central Mexico, specifically in Mexico City where we have initiated with great success the distribution of Bokados products. In addition, at the beginning of 2009, Arca began to operate the new plant located in Northwest Mexico, specifically in Ciudad Obregon, with the objective of covering this entire zone with permanent product availability.

With respect to the information systems area, the Company initiated the first phase of the Shared Central Services to standardize and make more agile common transactional processes across all Arca businesses. The main objective of this initiative is to obtain cost efficiencies and service level improvements once incorporated in the administrative area, production concepts (total quality, continuous improvement and flat organizational structure), and leveraging Arca's existing technology infrastructure.

At the same time, Arca successfully concluded the modernization project of the Company's Commercial System for sales and distribution processes, migrating from the technological platform Progress Software to version 10.1b. This action strengthens one of Arca's most critical information systems and positions the Company at the forefront of the industry in this regard, possessing a robust technological platform as well as the main application as a data base.

Finally, the Company finalized the implementation of the new business information platform SAP at our Bokados snack business, which allows us to optimize supervisory and financial consolidation processes. This new capacity will extend immediately to the new plant located in Sonora.

2009 OUTLOOK

Arca expects sales volume growth of close to 20% in consolidated soft drinks and single serve purified water, mainly derived from the incorporation of the two Argentinean territories acquired in 2008 and to a lesser extent, the growth we expect in Mexico. Even though our 2009 budget does not contemplate additional price increases in our country, average price for the year will be 5% higher than 2008, as a result of price adjustments made at the end of last year. However, economic conditions might demand future adjustments which would be made on a segmented and selective basis. In Argentina, prices are expected to reflect actual inflation in that country. For Bokados, net sales are expected to rise 25% as a result of the expansion to the Western and Central regions of Mexico, specifically the greater Mexico City area. Investments in fixed assets will be approximately Ps. 1,600 million in 2009 of which coolers plays an important role to support market development and the introduction of new products. This amount includes roughly Ps. 250 million of our operations in Argentina.

FINANCIAL ANALYSIS

INCOME STATEMENT

The following figures include the results for the Coca-Cola franchise in Northeastern Argentina (NEA) since May 2008; however, with regard to the franchise in Northwestern Argentina (NOA), only the Balance Sheet is being consolidated, given that its acquisition was completed on December 29, 2008.

Net sales for 4Q08 reached Ps. 5,140.4, 13.9% (Mexico 6.1% including Bokados, Beverage-Mexico 5.6%) higher with respect to the Ps. 4,511.2 million reported in 4Q07. With respect to the beverage business in Mexico, the average price per unit case increased 6.8% to Ps. 39.4 during 4Q08 compared to 4Q07, derived from selective price adjustments realized during the year, as well as in November on all non-returnable presentations.

In 4Q08, cost of goods sold increased 18.4% (Mexico 8.3% including Bokados, Beverage-Mexico 7.8%) with respect to 4Q07, derived from the incorporation of Argentina operations, as well as the depreciation of the Peso vs. the U.S. Dollar, which impacted the prices of PET resin for non-returnable bottles. Consolidated gross margin was 46.2% (Beverage-Mexico 47.0%) during 4Q08. Cost of goods sold per unit case in Mexico (ex. Bokados) increased 9.0% from Ps. 19.1 in 4Q07 to Ps. 20.9 in 4Q08.

Selling and administrative expenses increased 10.9% (Mexico 5.9%, including Bokados, Beverage-Mexico 4.8%) from Ps. 1,431.6 million to Ps. 1,587.7 million in 4Q08. Specifically during 4Q08, selling expenses increased 11.1% (Mexico 7.0%, including Bokados, Beverage-Mexico 5.8%), while administrative expenses increased 10.3% (Mexico 1.9%, including Bokados, Beverage-Mexico 1.3%).

Operating income for 4Q08 increased 5.7% (Mexico flat, including Bokados, Beverage-Mexico 0.2%) with respect to 4Q07 reaching Ps. 786.6 with an operating margin of 15.3%. EBITDA increased 5.8% (Mexico 0.8%, including Bokados, Beverage-Mexico 0.8%) reaching Ps. 1,015.2 million and representing an EBITDA margin of 19.7% (Mexico 20.2%, including Bokados, Beverage-Mexico 20.6%).

Integral financing result for 4Q08 was Ps. 104.5 million compared to a cost of Ps. 9.5 million in 4Q07. 4Q08 includes an exchange rate gain of Ps. 161.6 million as a result of a long position in dollars.

During 4Q08, 'other income' of Ps. 119.5 million was registered, mainly related to the sale of certain brands to The Coca-Cola Company.

Provisions for income tax and profit sharing in 4Q08 were Ps. 308.6 (30.5% effective tax rate), compared to Ps. 277.7 million during the same period of the previous year (38.2% effective tax rate). For the accumulated period, provisions for income tax and profit sharing were Ps. 1,162.1 million (28.4% effective tax rate), compared to Ps. 1,252.5 million in 2007 (33.6% effective tax rate).

As a result of the above, Arca's net income for 4Q08 increased 45.8%, reaching Ps. 720.6 million or Ps. 0.89 per share. For 2008, net income increased 18.5%, reaching Ps. 2,945.3 million or Ps. 3.65 per share.

BALANCE SHEET AND CASH FLOW STATEMENT

As of December 31, 2008 Arca had a cash balance of Ps. 919.4 million and debt of Ps. 2,987.6 million, resulting in net debt of Ps. 2,068.2 million. At the end of the year, Arca used various available credit lines with local banks for a total of Ps. 2,476 million to pay off the Ps. 1,000 million in local notes which matured in October, as well as to close the acquisition of the bottler in Northwestern Argentina.

Operating cash flow before working capital increased 13% during 2008 to Ps. 5,065 million, due primarily to improved operating results.

Investment in fixed assets reached Ps. 1,339 million in 2008, allocated mainly towards the construction of facilities for installing bottle injection and blowing equipment, maintenance and the regular replacement of plant and equipment, as well as additional coolers and vending machines selling soft drinks as well as snacks.

RECENT EVENTS

On December 29, 2008, the Company completed the acquisition of The Coca-Cola Company franchise in Northwestern Argentina ("Grupo Guerrero"), which was comprised by the following companies:

<u>COMPANY NAME</u>	<u>MAIN BUSINESS</u>	<u>% OWNERSHIP</u>
Juan Bautista Guerrero, S.A. ¹	Shareholder	100
Salta Refrescos, S.A.	Soft drink producer	100
Compañía Tucumana de Refrescos	Soft drink producer	100
Catamarca Rioja Refrescos	Soft drink producer	100
Santiago del Estero Refrescos, S.A.	Transportation of merchandise between affiliates	100
Envases Plásticos, S.A.	Real Estate leasing to affiliates	100

¹ The change in corporate name to Embotelladoras Arca de Argentina, S.A. is in process.

The cost of the transaction was \$217.8 million dollars; this amount was determined by taking into account the market value of similar acquisitions made by third parties, as well as the possible synergies and added value that the Company could achieve by taking over Grupo Guerrero. The Company decided to make this acquisition in order to strengthen its presence in the South American market.

The following table contains the main assets and liabilities of Grupo Guerrero as of the date of the acquisition (these are preliminary, unaudited figures):

Millions of pesos²

Cash and investments	179
Accounts receivable	82
Inventories	212
Total Current Assets	473
Fixed Assets ³	1,110
Total Assets	1,583
Accounts payable	542
Other Liabilities	88
Total Liabilities	630

² Preliminary, unaudited results.

³ In accordance with valuation measures utilized by appraisal experts.

The Company is in the process of determining the value of the intangible assets as well as the goodwill taken on by the acquisition.

Grupo Guerrero operates in the provinces of Catamarca, Jujuy, La Rioja, Salta, Santiago del Estero and Tucumán, serving a population of close to 5 million inhabitants. In 2008, its sales volume reached approximately 85 million unit cases. With this acquisition, in combination with the acquisition made in May 2008, the Company's sales in Argentina will surpass 120 million unit cases of Coca-Cola products, representing approximately US\$260 million (at the current Argentine peso to US dollar exchange rate), serving a population of close of 9 million inhabitants.

About Arca

Arca produces, distributes and sells beverages under The Coca-Cola Company brand and proprietary brands. Arca was formed in 2001 through the merger of three of the oldest bottlers in Mexico making it the second-largest Coca-Cola bottler in Latin America. The Company, headquartered in Monterrey, serves the northern region of Mexico in the states of Tamaulipas, Nuevo Leon, Coahuila, Chihuahua, Sonora, Sinaloa, Baja California and Baja California Sur, as well as northern Argentina. Arca also produces and distributes Bokados brand snack foods.

For more information, visit www.e-arca.com.mx

Disclaimer

This material may contain forward-looking statements regarding Arca and its subsidiaries based on management's expectations. This information as well as statements regarding future events and expectations is subject to risks and uncertainties, as well as factors that could cause the results, performance and achievements of the Company to differ at any time. Such factors include changes in the general economic, political, governmental and commercial conditions both domestically and globally, as well as variations in interest rates, inflation rates, exchange rate volatility, tax rates, the demand for and the price of carbonated beverages, water and ice, taxes on and the price of sugar, the prices of raw materials used in the production of soft drinks, weather conditions and various others. As a result of these risks and factors, actual results could be materially differ from the estimates provided, therefore, Arca does not accept responsibility for any variations or for the information provided by official sources.

EMBOTELLADORAS ARCA, S. A. B. DE C. V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT

(in thousands of Mexican pesos)

	4th. Quarter		Variation %	January-December		Variation %
	2008	2007		2008	2007	
NET SALES	5,140,442	4,511,208	13.9%	20,247,784	18,585,803	8.9%
COST OF SALES	(2,766,160)	(2,335,344)	18.4%	(10,489,358)	(9,544,570)	9.9%
GROSS PROFIT	2,374,282	2,175,864	9.1%	9,758,426	9,041,233	7.9%
	46.2%	48.2%		48.2%	48.6%	
SELLING EXPENSES	(1,251,774)	(1,126,937)	11.1%	(4,753,415)	(4,332,096)	9.7%
ADMINISTRATIVE EXPENSES	(335,946)	(304,650)	10.3%	(1,163,399)	(1,057,061)	10.1%
	(1,587,720)	(1,431,587)	10.9%	(5,916,814)	(5,389,157)	9.8%
OPERATING INCOME	786,562	744,277	5.7%	3,841,612	3,652,076	5.2%
	15.3%	16.5%		19.0%	19.6%	
COMPREHENSIVE FINANCIAL RESULT:						
INTEREST EXPENSE, NET	(57,067)	4,029	NA	(74,607)	1,552	-4907.2%
EXCHANGE GAIN (LOSS)	161,606	9,160	NA	98,164	11,453	NA
MONETARY POSITION GAIN (LOSS)	-	(22,712)	NA	-	(41,218)	NA
	104,539	(9,523)	NA	23,557	(28,213)	NA
	891,101	734,754	21.3%	3,865,169	3,623,863	6.7%
OTHER INCOME (EXPENSE)	119,529	(8,085)	NA	221,221	98,335	125.0%
EMPLOYEES' PROFIT SHARING	(43,729)	(25,808)	69.4%	(233,650)	(205,876)	13.5%
OTHER INCOME (EXPENSE), NET	75,800	(33,893)	NA	(12,429)	(107,541)	NA
INCOME BEFORE THE FOLLOWING PROVISIONS:	966,901	700,861	38.0%	3,852,740	3,516,322	9.6%
	18.8%	15.5%		19.0%	18.9%	
INCOME TAX	(264,844)	(251,998)	5.1%	(928,477)	(1,046,639)	-11.3%
EQUITY IN EARNINGS OF AFFILIATES AND MINORITY INTEREST	18,500	45,278	NA	21,056	14,788	NA
CONSOLIDATED NET INCOME	720,557	494,141	45.8%	2,945,319	2,484,471	18.5%
DEPRECIATION AND AMORTIZATION	228,661	215,409	6.2%	868,751	819,696	6.0%
EBITDA	1,015,223	959,686	5.8%	4,710,363	4,471,772	5.3%
EBITDA MARGIN	19.7%	21.3%		23.3%	24.1%	
Per Share Data:						
Net Income	0.89	0.61	45.8%	3.65	3.08	18.5%
Total number of shares outstanding ('000)	806,020	806,020		806,020	806,020	

EMBOTELLADORAS ARCA, S. A. B. DE C. V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

(in thousands of Mexican pesos)

	as of December 31,	
	<u>2008</u>	<u>2007</u>
ASSETS		
<hr/>		
CURRENT ASSETS		
Cash & Cash Equivalents	919,400	2,757,562
Accounts receivable, net	942,753	737,835
Other accounts receivable	290,463	251,059
Inventories	1,496,780	996,417
Prepayments	82,724	54,332
Total Current Assets	3,732,121	4,797,205
INVESTMENT IN SHARES & OTHER INVESTMENTS	765,836	121,622
PROPERTY, PLANT AND EQUIPMENT	10,932,808	9,181,655
GOODWILL, NET	4,304,940	2,534,253
OTHER ASSETS	1,769,375	605,202
TOTAL ASSETS	21,505,078	17,239,936
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LIABILITIES AND SHAREHOLDERS' EQUITY		
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CURRENT LIABILITIES		
Bank loans	2,487,527	1,011,340
Suppliers & accounts payable	1,460,935	1,267,481
Other accounts payable and expenses	458,200	438,657
Total Current Liabilities	4,406,662	2,717,478
LONG TERM BANK LOANS	500,000	509,125
LABOR OBLIGATIONS	0	86,516
DEFERRED INCOME TAX AND OTHERS	2,049,786	1,410,225
TOTAL LIABILITIES	6,956,448	4,723,345
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SHAREHOLDERS' EQUITY		
Minority interest	152	0
Capital Stock	4,697,989	4,697,989
Retained Earnings	6,905,169	5,333,987
Net Profit	2,945,321	2,484,616
TOTAL SHAREHOLDERS' EQUITY	14,548,630	12,516,592
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	21,505,078	17,239,936

EMBOTELLADORAS ARCA, S. A. B. DE C. V. AND SUBSIDIARIES
CASH FLOW STATEMENT

As of December 31, 2008

(in thousands of Mexican pesos)

	<u>2008</u>	<u>2007</u>
INCOME (LOSS) BEFORE INCOME TAX	3,873,820	3,531,137
+ DEPRECIATION AND AMORT.	868,751	819,696
+ OTHER	116,460	(45,106)
	<hr/> 985,211	<hr/> 774,590
+ ACCRUED INTEREST	205,734	183,993
= OPERATING CASH FLOW BEFORE TAXES	5,064,765	4,489,720
- WORKING CAPITAL	<hr/> 1,508,971	<hr/> 600,416
= OPERATING CASH FLOW AFTER WORKING CAPITAL NEEDS	3,555,794	3,889,304
INVESTMENT ACTIVITIES		
- CAPITAL EXPENDITURES (NET)	5,717,237	1,687,285
FINANCING ACTIVITIES		
- DIVIDENDS PAID	765,719	1,635,405
- SHARE REPURCHASE PROGRAM	196,207	34,406
- DEBT AMORTIZATION	(1,467,061)	68,562
- INTEREST PAID	219,906	186,960
- OTHERS	(24,984)	80,805
	<hr/> (310,212)	<hr/> 2,006,140
= NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS	(1,851,230)	195,879
CHANGE IN CASH	13,068	(73)
CASH BALANCE AT THE BEGINNING OF PERIOD	2,757,562	2,561,757
= CASH BALANCE AT THE END OF PERIOD	919,400	2,757,563